

# OPEN LEARNING AGENCY

Sole Operating Division: Knowledge Network

## Annual Service Plan Report

2006/07



### **Contact Information**

Open Learning Agency  
4355 Mathissi Place  
Burnaby, British Columbia  
Canada V5G 4S8

Phone: 604.431.3200

Or visit our website at:  
[www.knowledgenetwork.ca](http://www.knowledgenetwork.ca)

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LETTER FROM BOARD CHAIR TO THE MINISTER

The Honourable Murray Coell  
Minister of Advanced Education  
Government of British Columbia  
PO Box 9059, Stn Prov Govt  
Victoria, BC V8W 9E2

Dear Minister Coell:

**Re: Open Learning Agency 2006/07 Service Plan Report**

As my first year as Chair of the Open Learning Agency and on behalf of the Open Learning Agency's Knowledge Network, I am pleased to submit the Service Plan Report for 2006/07 to the Ministry of Advanced Education.

2006/07 continued to be a transition year for the Agency. On July 25, 2006, through the Order in Council, eight individuals including myself were appointed to form a new Board of Directors. I am pleased and honoured to welcome my fellow Board members, Nini Baird, Rick Buchols, Dave Calder, Beth Haddon, Sinclair Mar, Patricia Sollars, and Mitchell Taylor.

Throughout this transition year, the Agency was successful in maintaining the activities consistent with the previous year. The Agency continued to promote lifelong learning, provide information about British Columbia and issues relevant to its citizens, and support the independent production and new media sectors.

In addition, the Board worked diligently to make progress on the two primary directives outlined in the Shareholder's Letter of Expectations. The first of these is the transformation of the Open Learning Agency into Knowledge Network. We are pleased to report that this process is almost complete, and Knowledge Network will be established as a separate Crown corporation under its own legislation. This is supported by the second directive, which is the development of a business plan that supports Knowledge Network's mandate and Government's public policy objectives and guides Knowledge Network's future activities.

As part of the enhancement, it is an opportune time with our new Board to undertake an intensive strategic planning process in order to finalize a "going-forward" plan for Knowledge Network. This work has begun and a concept document has been put before the Ministry.

I wish also to extend my appreciation to the Agency's staff for their tireless efforts during this time of transition and to Mr. Harlan, who led the organization through this transition.

The 2006/07 Open Learning Agency Annual Service Plan Report was prepared under my direction in accordance with the Budget Transparency and Accountability Act. I am accountable for the contents of the report. The information presented reflects the actual performance of the Open Learning Agency over the past year ending March 31, 2007. All significant decisions, events, and identified risks have been considered in preparing the report.

Sincerely,



Dr. Ron Burnett  
Board Chair



## ORGANIZATIONAL OVERVIEW

On January 12, 1981, Knowledge Network began its public educational broadcast service. In 1988, Knowledge Network and the Open Learning Institute merged to form the Open Learning Agency (OLA). As a result of Government's core review in 2001, divisions of Open Learning Agency were transferred to other providers or discontinued. Since March 31, 2005, the only line of business operating under the Open Learning Agency is Knowledge Network. On July 25, 2006, a new Board of Directors was appointed to fulfill the Government's promise of maintaining and enhancing public broadcasting in British Columbia. This process is under way, beginning with the transformation of the Open Learning Agency into Knowledge Network and establishing it as a Crown corporation.

Knowledge-West Communications Corporation (KWCC) was incorporated in 1981 and is wholly owned by the Open Learning Agency. KWCC has been inactive since 1990.

### Purpose of Organization

As BC's public educational broadcaster, Knowledge Network helps broaden, enrich, and improve the quality of life of British Columbians by contributing to a literate and educated citizenry. Knowledge Network provides distinct and alternative learning experiences by offering programs of interest to all British Columbians as per its mandate.

Through the Shareholder's Letter of Expectations issued in September 2006, the Government provided the following mandate and public policy directive to Open Learning Agency's Knowledge Network:

- The mandate for Knowledge Network is to provide unique, quality educational programming that is relevant to British Columbians.

- The public policy objectives for Knowledge Network are to:

- Promote lifelong learning in British Columbia by providing quality educational programming;
- Inform and educate British Columbians about their province;
- Provide British Columbians with a unique television experience;
- Inform and educate British Columbians about issues relevant to them; and,
- Collaborate with the independent television and web media production sectors in British Columbia.

The issuance of the Shareholder's Letter of Expectations in September did not require any substantial changes to operations, as planned activities still supported the newly stated mandate and associated public policy objectives.

Future initiatives include the introduction of new legislation which establishes Knowledge Network as a separate Crown corporation to ensure public educational television will remain a British Columbian asset.

### Governance Structure

Open Learning Agency's corporate status is governed by the Open Learning Agency Act of British Columbia. The shareholder is the Province of British Columbia as represented by the Minister of Advanced Education.

Knowledge Network, the sole operating division of the Open Learning Agency, also operates under the federal Broadcasting Act as administered by the Canadian Radio-television and Telecommunications Commission (CRTC). Through the CRTC, Knowledge Network is required by law to conduct its business according to specific promises of performance and conditions of its licence.

## Board of Directors

Nini Baird  
Rick Buchols  
Dr. Ron Burnett (Chair)  
Dave Calder  
Beth Haddon  
Sinclair Mar  
Patricia Sollars  
Mitchell Taylor

Knowledge Network reports to its Board of Directors through the Open Learning Agency and is accountable via the Board to the Ministry of Advanced Education.

## Staff

Knowledge Network employs approximately 58 full-time staff and also employs, on a part-time basis, nearly 35 freelancers/contractors from the BC independent television and film sector.

## Location of Operation

The Agency is located at 4355 Mathissi Place, Burnaby, BC, V5G 4S8.

## ESTABLISHING THE KNOWLEDGE NETWORK CORPORATION

During fiscal 2006/07 efforts continued to establish Knowledge Network as a separate Crown corporation, including the appointment of a new Board and the preparation of new legislation to be proposed in fiscal 2007/08.

Over previous years, the Open Learning Agency implemented the directive to transfer its divisions by working closely with the Ministry of Advanced Education and other receiving agencies. The programs, functions, and resources were transferred as follows:

- In April 2005, BC Open University and Open College (BCOU/OC) joined the newly established Thompson Rivers University as its own division.
- In August 2004, Open Learning Agency Skills Centres were closed.
- In May 2004, International Credit and Evaluation Services (ICES) joined the British Columbia Institute of Technology (BCIT).
- In May 2004, Open School was transferred to the Ministry of Labour and Citizens' Services, where it operates as a branch of the Procurement and Supply Services.

## PERFORMANCE AND FINANCIAL OUTCOMES

Performance highlights in 2006/07 include:

### Market Relevance

- A 3.8% increase in audience numbers over the prior year. According to BBM Nielsen Media Research, Knowledge Network obtained an estimated average of 1.132 million weekly viewers across its entire schedule.
- An 8% increase in website traffic, represented by 2.865 million page views to [knowledgenetwork.ca](http://knowledgenetwork.ca).

### Product Development

- An 8.5% increase in the hours of newly acquired programming. Knowledge Network acquired an additional 579.75 hours of TV programs for broadcast and an additional 27.3 hours of original production.
- The introduction of 9 new digital projects, including Knowledge Tools and podcasts.

### Independent Production Sector Support

- A 47% increase in the prelicensing of TV programming represented by \$470,000 in funding. These productions represent approximately \$21 million in activity.
- 30% of the money spent licensing independent production in Canada supported BC producers.

## FINANCIAL PERFORMANCE

The financial statements for the Open Learning Agency are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles, consistently applied and appropriate in the circumstances. In management's opinion, the financial statements have been properly prepared within the framework of the accounting policies summarized in the financial statements and incorporate, within reasonable limits of materiality, all information available at April 14, 2007. The financial statements have also been reviewed and approved by the Board of Directors.

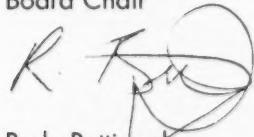
Management maintains and relies on a system of internal controls designed to provide reasonable assurance that assets are safeguarded, that transactions are properly authorized and recorded, and that reliable and relevant financial information is available on a timely basis.

Independent external auditors have examined the financial statements. The external auditors' responsibility is to express their opinion on whether the financial statements, in all material respects, fairly present the Agency's financial position, results of operations, and cash flows in accordance with Canadian generally accepted accounting principles. The Auditors' Report, which follows, outlines the scope of their examination and their opinion.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and internal controls.



Dr. Ron Burnett  
Board Chair

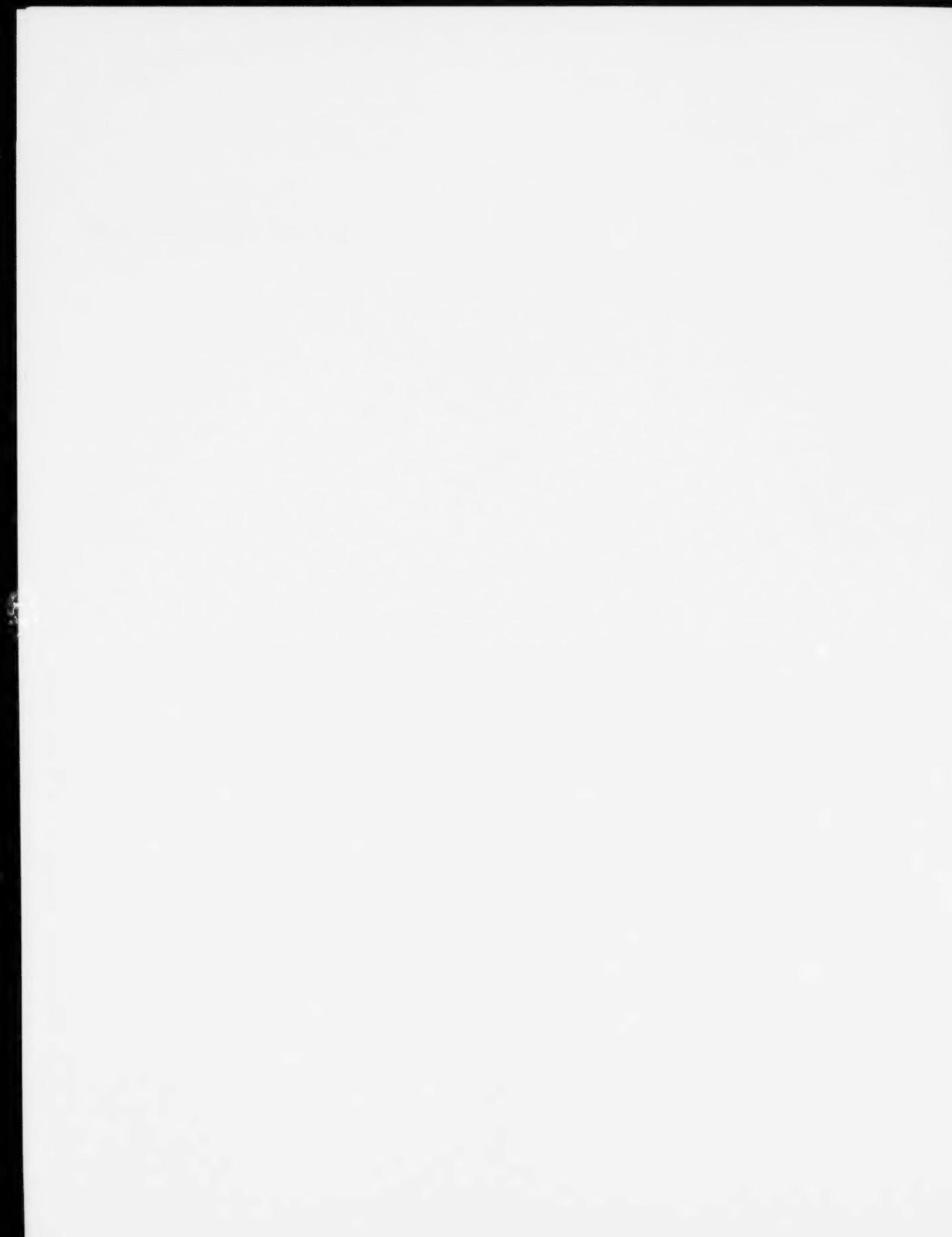


Rudy Buttignol  
President and CEO (Interim)



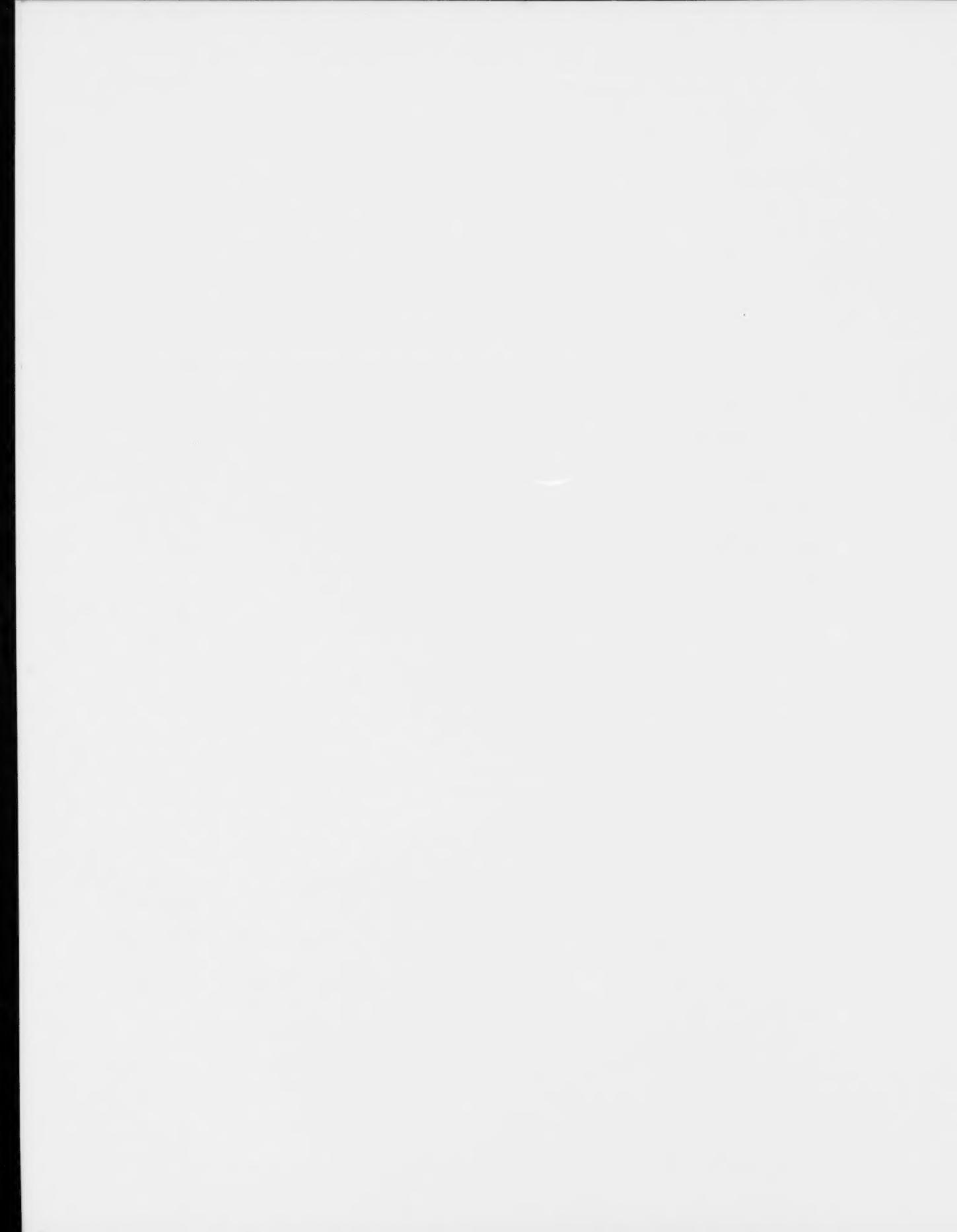
**Open Learning Agency**  
**Financial Statements**  
**March 31, 2007**

**Grant Thornton** 



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## Auditors' Report

To the Board of  
Open Learning Agency

We have audited the balance sheet of Open Learning Agency as at March 31, 2007 and the statements of revenue, expenditure, changes in unrestricted net assets and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Agency taken as a whole. The current year's supplementary information included in the Schedules 1 to 3 is presented for purposes of additional analysis. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2007 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



New Westminster, Canada  
May 9, 2007

Chartered Accountants

Sixth Floor  
628 Sixth Avenue  
New Westminster, BC V3M 6Z1  
T (604) 521-3761  
F (604) 521-8170  
E [NewWestminster@GrantThornton.ca](mailto:NewWestminster@GrantThornton.ca)  
W [www.GrantThornton.ca](http://www.GrantThornton.ca)

# Open Learning Agency

## Statement of Revenue, Expenditure and Changes in Unrestricted Net Assets

| Year Ended March 31                                    | 2007                       | 2006                       |
|--|----------------------------|----------------------------|
| <b>Revenue</b>   |                            |                            |
| Province of British Columbia                           |                            |                            |
| Operating grants                                       | \$ 7,586,057               | \$ 6,000,000               |
| Specified grants and contracts                         | <u>307,644</u>             | <u>537,538</u>             |
|  | <b>7,893,701</b>           | <b>6,537,538</b>           |
| Less: transfer to deferred contributions (Note 4)      | <u>(442,418)</u>           | <u>(485,771)</u>           |
|  | <b>7,451,283</b>           | <b>6,051,767</b>           |
| <b>Sales</b>   |                            |                            |
| Donations and sponsorships                             | 113,966                    | 594,779                    |
| User fees and rentals                                  | 3,008,680                  | 2,695,333                  |
| Interest   | 10,876                     | 60,897                     |
| Miscellaneous  | 108,540                    | 80,791                     |
| Amortization of deferred contributions                 | 222,859                    | 11,428                     |
| Expense recovery, building operating costs             | 672,937                    | 644,869                    |
| Expense recovery, other                                | 505,681                    | 461,758                    |
|  | <u>71,951</u>              | <u>91,761</u>              |
| <b>Total revenue</b>                                   | <b><u>12,166,773</u></b>   | <b><u>10,693,383</u></b>   |
| <b>Expenditure</b>                                     |                            |                            |
| Salaries, honoraria and benefits                       | 4,758,518                  | 4,668,152                  |
| Travel   | 62,098                     | 101,413                    |
| Communications   | 55,642                     | 54,660                     |
| Purchased services                                     | 2,733,783                  | 2,013,742                  |
| Materials, supplies and postage                        | 410,597                    | 359,212                    |
| Facilities rental and maintenance                      | 686,613                    | 802,001                    |
| Equipment rental, financing and maintenance            | 114,400                    | 102,368                    |
| Satellite transmission services                        | 395,471                    | 395,471                    |
| Program and course acquisitions                        | 2,030,554                  | 1,464,914                  |
| Miscellaneous  | 227,358                    | 606,802                    |
| Amortization of property and equipment                 | 672,937                    | 644,869                    |
| <b>Total expenditure</b>                               | <b><u>12,147,971</u></b>   | <b><u>11,213,604</u></b>   |
| <b>Excess (deficiency) of revenue over expenditure</b> | <b><u>18,802</u></b>       | <b><u>(520,221)</u></b>    |
| <b>Unrestricted net assets, beginning of year</b>      | <b><u>1,060,850</u></b>    | <b><u>1,581,071</u></b>    |
| <b>Unrestricted net assets, end of year</b>            | <b><u>\$ 1,079,652</u></b> | <b><u>\$ 1,060,850</u></b> |

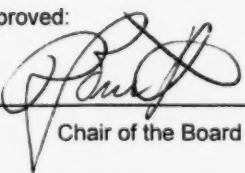
See accompanying notes to the financial statements

## Open Learning Agency Balance Sheet

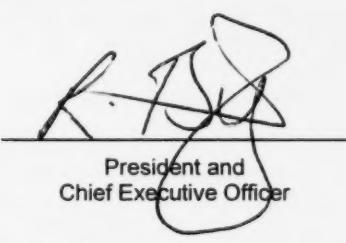
| March 31                        | 2007                        | 2006                        |
|---------------------------------|-----------------------------|-----------------------------|
| <b>Assets</b>                   |                             |                             |
| Current                         |                             |                             |
| Cash and short term investments | \$ 2,509,866                | \$ 2,344,086                |
| Accounts receivable             | 419,754                     | 485,996                     |
| Grants receivable               | 100,000                     | 239,642                     |
| Work in progress, projects      | 7,406                       | 4,496                       |
|                                 | <u>3,037,026</u>            | <u>3,074,220</u>            |
| Property and equipment (Note 3) | <u>13,729,801</u>           | <u>14,042,760</u>           |
|                                 | <u><u>\$ 16,766,827</u></u> | <u><u>\$ 17,116,980</u></u> |
| <b>Liabilities</b>              |                             |                             |
| Current                         |                             |                             |
| Payables and accruals           | \$ 1,691,640                | \$ 1,643,373                |
| Deferred revenue, projects      | <u>265,735</u>              | <u>452,438</u>              |
|                                 | <u>1,957,375</u>            | <u>2,095,811</u>            |
| Deferred contributions (Note 4) | <u>10,750,006</u>           | <u>10,980,525</u>           |
|                                 | <u>12,707,381</u>           | <u>13,076,336</u>           |
| <b>Net assets</b>               |                             |                             |
| Investment in property          | 2,979,794                   | 2,979,794                   |
| Unrestricted                    | <u>1,079,652</u>            | <u>1,060,850</u>            |
|                                 | <u>4,059,446</u>            | <u>4,040,644</u>            |
|                                 | <u><u>\$ 16,766,827</u></u> | <u><u>\$ 17,116,980</u></u> |

Operations (Note 1)  
Commitments and contingencies (Note 5)

Approved:



Chair of the Board



President and  
Chief Executive Officer

See accompanying notes to the financial statements

# **Open Learning Agency**

## **Statement of Cash Flows**

Year Ended March 31

**2007**

**2006**

Cash flows provided by (used in)

**Operating activities**

|  |               |                  |
|--|---------------|------------------|
| Excess (deficiency) of revenue over expenditure  | \$ 18,802     | \$ (520,221)     |
| Adjustments to determine cash flows:             |               |                  |
| Amortization of deferred contributions and other | (672,937)     | (644,869)        |
| Amortization of property and equipment           | 672,937       | 644,869          |
| Change in non-cash working capital               | 64,538        | 140,214          |
|  | <u>83,340</u> | <u>(380,007)</u> |

**Financing activities**

|                                   |                |                |
|-----------------------------------|----------------|----------------|
| Grants for property and equipment | 442,418        | 485,771        |
| Repayments of term debt           | -              | (109,065)      |
|                                   | <u>442,418</u> | <u>376,706</u> |

**Investing activities**

|  |                     |                     |
|--|---------------------|---------------------|
| Purchase of property and equipment, net                | (359,978)           | (376,707)           |
| Increase (decrease) in cash and short term investments | 165,780             | (380,008)           |
| Cash and short term investments, beginning of year     | <u>2,344,086</u>    | 2,724,094           |
| Cash and short term investments, end of year           | <u>\$ 2,509,866</u> | <u>\$ 2,344,086</u> |

**Change in non-cash working capital**

|                            |                  |                   |
|----------------------------|------------------|-------------------|
| Accounts receivable        | \$ 66,242        | \$ 2,390,122      |
| Grants receivable          | 139,642          | -                 |
| Work in progress, projects | (2,910)          | 615,350           |
| Inventory                  | -                | 444,706           |
| Prepaid expenses           | -                | 35,608            |
| Payables and accruals      | 48,267           | (3,058,398)       |
| Deferred revenue, projects | <u>(186,703)</u> | <u>(287,174)</u>  |
|                            | <u>\$ 64,538</u> | <u>\$ 140,214</u> |

See accompanying notes to the financial statements

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# **Open Learning Agency**

## **Notes to the Financial Statements**

March 31, 2007

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### **1. Operations**

The Agency is incorporated under the Open Learning Agency Act of British Columbia and is a registered charity under the provision of the Income Tax Act of Canada.

The Knowledge Network television station is British Columbia's public educational broadcaster, and is the only operating unit of the Agency.

The 2007/2008 interim operating budget for Knowledge Network operations is estimated at \$10.7 million; the principal source of funding is from the Ministry of Advanced Education.

Through introduction, on April 16, 2007, of Bill 23, "Knowledge Network Corporation Act", the government of British Columbia has indicated that the Agency will be continued as a corporation under the name "Knowledge Network Corporation".

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### **2. Significant accounting policies**

#### **Basis of presentation**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. In preparing these financial statements, management has made estimates and assumptions that affect the amounts reported. Actual results could differ from those estimates.

#### **Property and equipment**

Purchased property and equipment are recorded at cost. Amortization of depreciable property and equipment over the estimated useful life is provided on the declining balance basis over at 10% to 30% per annum. Amortization of building is recorded on a straight-line basis over 40 years.

Investment in property and equipment consists of land, a non-depreciable property.

#### **Deferred contributions**

The Agency follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expense is incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Deferred contributions for property and equipment are amortized and recognized as revenue. Amortization of property and equipment is recorded as an expenditure.

Contributions for other restricted funds are recorded as deferred contributions and recognized as revenue in an amount equivalent to the expenditure incurred for specified purposes.

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# Open Learning Agency

## Notes to the Financial Statements

March 31, 2007

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### 2. Significant accounting policies (Continued)

#### Revenue recognition

Net revenue or expenditure from incomplete projects with specified funding is recorded as deferred revenue or work in progress. Income or loss from projects is recognized at project completion.

Donations are recorded on the cash basis.

#### Program acquisitions

Broadcast license agreements are expensed in the year payable.

#### Employee benefits

Employee future benefits are recorded on the accrual basis.

#### Fair values

Fair values of financial instruments, unless otherwise stated, approximate their book values.

#### Comparative figures

Certain of the prior year's figures have been reclassified to conform with the current year's financial statement presentation.

---

### 3. Property and equipment

|                             | Cost                 | Accumulated amortization | Net book value       | 2007                 | 2006                 |
|-----------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| Land                        | \$ 2,979,794         | \$ -                     | \$ 2,979,794         | \$ 2,979,794         |                      |
| Building                    | 13,608,913           | 5,091,689                | 8,517,224            | 8,517,224            | 8,857,446            |
| Furniture and fixtures      | 831,994              | 682,757                  | 149,237              | 149,237              | 165,819              |
| Equipment                   | 2,478,109            | 2,371,615                | 106,494              | 106,494              | 108,031              |
| Computer equipment          | 2,287,634            | 1,790,018                | 497,616              | 497,616              | 509,991              |
| Software                    | 365,755              | 329,797                  | 35,958               | 35,958               | 71,916               |
| Broadcast network equipment | 9,868,153            | 8,424,675                | 1,443,478            | 1,443,478            | 1,349,763            |
|                             | <u>\$ 32,420,352</u> | <u>\$ 18,690,551</u>     | <u>\$ 13,729,801</u> | <u>\$ 13,729,801</u> | <u>\$ 14,042,760</u> |

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# Open Learning Agency

## Notes to the Financial Statements

March 31, 2007

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### 4. Deferred contributions

Deferred contributions related to property and equipment represent the unamortized amount of grants received for the purchase of property and equipment. Amortization of deferred capital contributions is recorded as revenue.

|   | 2007                        | 2006                        |
|---|-----------------------------|-----------------------------|
| Balance, beginning of year  | \$ 10,980,525               | \$ 13,371,972               |
| Add: Contributions transferred from revenue                       | 442,418                     | 485,771                     |
| Less: Transferred to Thompson Rivers University,<br>April 1, 2005 | -                           | (2,232,349)                 |
| Amortization to revenue   | <u>(672,937)</u>            | <u>(644,869)</u>            |
| Balance, end of year  | <u><u>\$ 10,750,006</u></u> | <u><u>\$ 10,980,525</u></u> |

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### 5. Commitments and contingencies

#### Satellite transmission services

The Agency acquires satellite transmission services at an annual cost of approximately \$370,000 under agreements that are renewed annually.

#### Pensions

The Agency and its employees contribute to the College Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The boards of trustees for these plans represent plan members and employers and are responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are defined. The College Pension Plan has over 10,000 active members from college senior administration and instructional staff and approximately 2,900 retired members. The Municipal Pension Plan has about 130,000 active members, with approximately 4,900 from colleges.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of the plan funding. The valuation for the College Pension Plan as at August 31, 2003 indicated an unfunded liability of \$50 million for basic pension benefits. The most recent valuation was as at August 31, 2006 with results available in 2007. The valuation for the Municipal Pension Plan as at December 31, 2003 indicated an unfunded liability of \$789 million for basic pension benefits. The most recent valuation was as at December 31, 2006 with results available in 2007. The actuary does not attribute portions of the unfunded liability to individual employers.

Contributions to the Plans in the current year amounted to \$289,000 (2006: \$266,000).

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# **Open Learning Agency**

## **Notes to the Financial Statements**

March 31, 2007

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### **5. Commitments and contingencies (Continued)**

#### **Contingencies**

In the normal course of business, claims are brought against the Agency. Where the outcomes are likely and the amounts reasonably estimable, contingent losses are recorded. Where the outcomes are not likely, the nature and amount of the claims in excess of the amounts recorded are disclosed.

At March 31, 2007, there are no claims in excess of amounts recorded.

**Open Learning Agency**  
**Schedule of Revenue, Expenditure and Fund Balances**

Year Ended March 31

**Schedule 1**

2007

2006

|                                 | Operating<br>Fund | Special<br>Purpose<br>Fund | Capital<br>Fund | Total         | Total         |
|---------------------------------|-------------------|----------------------------|-----------------|---------------|---------------|
| Revenue, per schedule           | \$ 10,030,301     | \$ 1,460,665               | \$ 675,807      | \$ 12,166,773 | \$ 10,693,383 |
| Expenditure, per schedule       | 9,900,845         | 1,460,665                  | 786,461         | 12,147,971    | 11,213,604    |
| Revenue deficiency              | 129,456           | -                          | (110,654)       | 18,802        | (520,221)     |
| Fund balance, beginning of year | 1,060,850         | -                          | -               | 1,060,850     | 1,581,071     |
|                                 | 1,190,306         | -                          | (110,654)       | 1,079,652     | 1,060,850     |
| Transfers                       | (110,654)         | -                          | 110,654         | -             | -             |
| Fund balance, end of year       | \$ 1,079,652      | \$ -                       | \$ -            | \$ 1,079,652  | \$ 1,060,850  |

**Open Learning Agency**  
**Schedule of Revenue**

Year Ended March 31

**Schedule 2**

2007

2006

|  | Operating<br>Fund    | Special<br>Purpose<br>Fund | Capital<br>Fund   | Total                | Total                |
|--|----------------------|----------------------------|-------------------|----------------------|----------------------|
| <b>Revenue</b>                             |                      |                            |                   |                      |                      |
| Province of British Columbia               |                      |                            |                   |                      |                      |
| Operating grants                           | \$ 7,586,057         | \$ -                       | \$ -              | \$ 7,586,057         | \$ 6,000,000         |
| Specified grants and contracts             | 45,039               | -                          | 262,605           | 307,644              | 537,538              |
| Sales                                      | 113,966              | -                          | -                 | 113,966              | 594,779              |
| Donations and sponsorships                 | 1,121,895            | 1,886,785                  | -                 | 3,008,680            | 2,695,333            |
| User fees and rentals                      | 10,876               | -                          | -                 | 10,876               | 60,897               |
| Interest                                   | 108,540              | -                          | -                 | 108,540              | 80,791               |
| Miscellaneous and transfers                | 154,052              | 68,807                     | -                 | 222,859              | 11,428               |
| Amortization of deferred contributions     | -                    | -                          | 672,937           | 672,937              | 644,869              |
| Expense recovery, building operating costs | 505,681              | -                          | -                 | 505,681              | 461,758              |
| Expense recovery, other                    | 566,878              | (494,927)                  | -                 | 71,951               | 91,761               |
| Revenue before transfers                   | 10,212,984           | 1,460,665                  | 935,542           | 12,609,191           | 11,179,154           |
| Transfer to deferred contributions         | (182,683)            | -                          | (259,735)         | (442,418)            | (485,771)            |
| <b>Total revenue</b>                       | <b>\$ 10,030,301</b> | <b>\$ 1,460,665</b>        | <b>\$ 675,807</b> | <b>\$ 12,166,773</b> | <b>\$ 10,693,383</b> |

**Open Learning Agency**  
**Schedule of Expenditure**

Year Ended March 31

**Schedule 3**

**2007**

**2006**

|   | Operating<br>Fund   | Special<br>Purpose<br>Fund | Capital<br>Fund   | Total                | Total                |
|---|---------------------|----------------------------|-------------------|----------------------|----------------------|
| <b>Expenditure</b>                          |                     |                            |                   |                      |                      |
| Salaries, honoraria and benefits            | \$ 4,578,051        | \$ 180,467                 | \$ -              | \$ 4,758,518         | \$ 4,668,152         |
| Travel                                      | 61,873              | 225                        | -                 | 62,098               | 101,413              |
| Communications                              | 53,251              | 2,391                      | -                 | 55,642               | 54,660               |
| Purchased services                          | 2,369,688           | 272,057                    | 92,038            | 2,733,783            | 2,013,742            |
| Materials, supplies and postage             | 152,633             | 245,141                    | 12,823            | 410,597              | 359,212              |
| Facilities rental and maintenance           | 686,613             | -                          | -                 | 686,613              | 802,001              |
| Equipment rental, financing and maintenance | 112,955             | -                          | 1,445             | 114,400              | 102,368              |
| Satellite transmission services             | 395,471             | -                          | -                 | 395,471              | 395,471              |
| Program and course acquisitions             | 1,289,396           | 741,158                    | -                 | 2,030,554            | 1,464,914            |
| Miscellaneous                               | 200,914             | 19,226                     | 7,218             | 227,358              | 606,802              |
| Amortization of property and equipment      | -                   | -                          | 672,937           | 672,937              | 644,869              |
| <b>Total expenditure</b>                    | <b>\$ 9,900,845</b> | <b>\$ 1,460,665</b>        | <b>\$ 786,461</b> | <b>\$ 12,147,971</b> | <b>\$ 11,213,604</b> |





